

## **Paper-13: CORPORATE LAWS AND COMPLIANCE**

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Full Marks: 100

Time Allowed: 3 Hours

Sec – A:

Answer Question No. 1 which is compulsory carries 20 marks and answer any 5 Question from Q. No 2 to Q. No. 8

Question 1: Answer any 4 from the below

[4×5=20]

- (a) What is the procedure to be followed, when a board meeting is adjourned for want of quorum?
- (b) State the procedure to be followed for removal of statutory auditor before the expiry of his term?
- (c) State the factors responsible for increasing attention towards Corporate Social Responsibility by the corporates
- (d) Does the scheme of compromise or arrangement require approval of preference shareholders?
- (e) The Competition Commission of India has received a complaint that M/s ABC company has been abusing its dominant position in the food processing industry. Explain briefly the factors that will be considered by the Commissions to ascertain whether M/s ABC company enjoys a dominant position in the industry .

Question 2:

- (a) State giving reasons whether the following are true or false under the provisions of the Companies Act, 2013? The Board of Directors of ABC Ltd. wants to circulate unaudited accounts before the Annual General Meeting of the shareholders of the Company.
- (b) Is it permitted to maintain books of accounts at a place other than the registered office under companies Act'2013?
- (c) The shareholders at an annual general meeting passed a resolution for payment of dividend at a rate higher than that recommended by the directors. Discuss the validity of the resolution under the Companies Act, 2013. [6+5+5 = 16]

Question 3:

- (a) A company has in its Articles of Association provided for appointment of not less than two- thirds of the total number of its directors according to the principle of proportional representation. Can the directors so appointed be removed by the company in general meeting as per the provisions of the Companies Act, 2013.
- (b) Can a company pay compensation to its directors for loss of office? Explain briefly the relevant provisions of the Companies Act, 2013 in this regard?
- (c) Examine with reference to the provisions of the Companies Act, 2013 whether notice of a Board Meeting is required to be sent to the following persons: (i) An Interested Director (ii) A Director who has expressed his inability to attend a particular Board Meeting. [6+5+5=16]

Question 4:

- (a) Mr. X is an unsecured creditor and has to recover a sum of Rs. 7 lakhs from Global Footwear Company Limited. The said company has become financially insolvent and hence unable to pay its debts. With the object of recovery of the said amount Mr. X is

## MTP\_Final\_Syllabus 2012\_June2016\_Set 2

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willing to proceed for compulsory winding up of the company. Advise the steps and procedure in this relation under the provisions of the Companies Act, 1956.

- (b) A group of individuals eligible to form a Producer Company within the meaning of the Companies Act, 1956 has entrusted you with the job of preparing the Memorandum of Association of the proposed Producer Company. You are required to state the matters, which are required to be included in such Memorandum of Association.
- (c) M/s Joel Ltd. was incorporated in London with a paid up capital of 10 million pounds. Mr. Y an Indian citizen holds 25% of the paid up capital. M/s. X Ltd. a company registered in India holds 30% of the paid up capital of Joel Ltd. M/s. Joel Ltd. has recently established a share transfer office at New Delhi. The company seeks your advice as to what formalities it should observe as a foreign company under Companies Act, 2013. State briefly the requirements relating to filing of accounts with the Registrar of Companies by the foreign company in respect of its global business as well as Indian business.

[6+5+5 = 16]

### Question 5:

- (a) Which offences are deemed to be Non- cognizable under the Companies Act, 2013? Enumerate the relevant provisions.
- (b) 60% shares of Indo-French Ltd. are held by the French group and balance by the Indian group. As per Articles of Association of the company, both groups had equal managerial powers. The relationship between the two groups soured and the operations of the company reached a deadlock. The Indian group approached the Company Law Board (CLB) for action against the French group for oppression as stated in section 397 of the Companies Act, 1956. Based on the above said facts, decide the following issues
- (i) Whether the contention of oppression against the French group by the Indian group is tenable?
- (ii) What are the powers of CLB in this regard?
- (c) SEBI received complaints from some investors alleging that ABC Ltd. and some brokers are indulging in price manipulation in the shares of ABC Ltd. Explain the powers that can be exercised by SEBI under the Securities and Exchange Board of India Act, 1992 in case the allegations are found to be correct? [6+5+5=16]

### Question 6:

- (a) Explain the meaning of the term "Current Account Transaction" and the right of a citizen to obtain Foreign Exchange under the Foreign Exchange Management Act, 1999.
- (b) With reference to the provisions of Insurance Act, 1938 as amended by Insurance Regulatory and Development Authority Act, 1999, state the norms in respect of paid up equity capital for carrying out the business of an insurer. Also state the items that are excluded in determining the amount of paid up equity capital of an insurer under the said Acts.
- (c) Enumerate the obligations of banking companies under the Prevention of Money Laundering Act, 2002. [6+5+5=16]

### Question 7: Answer any two questions from the below

[2×8= 16]

- (a) State OECD guidelines for corporate Governance of State owned Enterprises.
- (b) What is Whole Life-Cycle Costing Risk Management? Why it is not widely embraced?
- (c) What is the need for Corporate Governance in India